

Mr. COVERDELL. It is my understanding that for the next 90 minutes, I or my designee have control of that time.

The PRESIDING OFFICER. The Senator is correct.

Mr. COVERDELL. Very good.

FBI FILES AT THE WHITE HOUSE

Mr. COVERDELL. Mr. President, on Wednesday, July 3, which, incidentally, was the cost-of-Government day, which means the last day after which an American family finally quit paying Government—July 4 took on a special meaning because it was not only Independence Day, but because it is the first day a family could keep its own check. But, interestingly enough, in the midst of all the debate, a very interesting editorial appeared in the Washington Post, which characterizes itself as an independent newspaper.

On July 3, the Washington Post said, "FBI Files and the ex-FBI Author." That was the name of the article. It says:

Controversy swirls around both [these issues], but it ought to be possible to separate the probe of the improperly requisitioned FBI reports by the Clinton White House from the effort to sort out fact from fiction in former FBI agent Gary Aldrich's book about life at the White House.

I agree with this. I agree that the commentary of a popular book ought to be separate from the very, very serious issue of hundreds of our citizens' personal FBI files going to the—hundreds. At this time the current number keeps going up. It started out 300. Then it went to 407. Then it went to 600. Then 700. The last report I have seen is 900. It is almost beyond belief. Both that the White House could request those personal files and that those files could be violated by our own Federal Bureau of Investigation.

The Post says:

The three probes need to find out if the country has an abuse of presidential power on its hands or whether it is witnessing yet one more White House staff-administered blow to this president's prestige.

Mr. President, for my own part, while there is deep concern about what has transpired at the White House, I think so far the public discourse underestimates what transpired at the Federal Bureau of Investigation. It is beyond my understanding how this many personal files or the data in those files could be copied and so routinely made available to the White House without fire alarms and sirens going off from the front to the back door and all the way to the Director's office. I cannot imagine how this could happen. Now, the Director has said there was an egregious breach of honor between the White House and the FBI, but much more will have to be answered than that simple question.

Mr. President, I see we have been joined by the distinguished Senator from Arizona. I yield up to 15 minutes to the Senator from Arizona for his remarks.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. Mr. President, I thank the Senator from Georgia both for taking time to get into this matter and also for yielding time to me.

I was perplexed, to say the least, as I sat through hearings as a member of the Senate Judiciary Committee just before the Fourth of July break, hearing testimony from Mr. Livingstone and others regarding this matter of the FBI files. I am going to come back to some conclusions that came out of that hearing and some questions that remain in a moment.

I thought, first, perhaps, it would be useful to discuss generally what we have here. There have been, especially in the time since Watergate, numerous investigations of officials involved in different administrations. To some extent, I think this has been politically motivated. To a large extent, I think it is a process that is important in a democracy, because people need to have confidence in their Government, particularly when people in high places are accused of wrongdoing or there is a potential of wrongdoing. We have established a system whereby an independent kind of investigator or prosecutor called the special counsel is appointed by the Attorney General, with court acquiescence, to investigate matters. There have been prosecutions from time to time in administrations since the Watergate matter that have demonstrated it is wise to have these kinds of special counsel available to look into such matters.

While there may be some politics involved, and certainly Republicans believe there is politics involved in some of the investigations in the Reagan and Bush administrations, and I am sure that some Democrats believe there is glee in Republican ranks to find things wrong now in a Democratic administration, the fact is it is still important to try to get to the bottom of some of these matters, particularly where it goes beyond politics. I think it can be demonstrated with this administration that it has gone far beyond politics, that there has been wrongdoing, and that there are people in this administration that, to say the least, have been ethically challenged.

As a matter of fact, Mr. President, according to an article written by Mary McGrory in the Washington Post,

President Clinton said that his administration would be the most ethical administration in the history of the Republic.

That was shortly after he was inaugurated. I think history will reveal that this is one of the most ethically challenged administrations in the history of the Republic. This FBI scandal is, frankly, just the latest of the scandals in the Clinton White House. As the Senator from Georgia pointed out, this involves the misuse of about 900—at least that is the number we have so far—900 FBI files.

Going back to reflect on what has occurred earlier in this administration,

and again this is not really partisan because if you look at the last three Presidents, President Carter, President Reagan, and President Bush, I think almost all Americans would agree that all three of these Presidents had the highest ethical standards, Carter a Democrat, the other two Republicans. It did not matter what their politics were. I think most Americans believe that all three of them are people of the greatest integrity and repute. To the extent there was any wrongdoing in any of their administrations each one of them had accusations made, they took responsibility, they tried to clean house, and their integrity, I think, remains without question.

In this particular administration, look at what we have. We have first of all, Roger Altman, Treasury Secretary who misled Congress about his discussions of a Whitewater-connected S&L. He resigned. Henry Cisneros, the HUD Secretary under investigation by court-appointed counsel for lying to the FBI. Mike Espy, former Secretary of Agriculture, under investigation for taking illegal gifts. He resigned. Web Hubble, a very close associate of the President and First Lady, Associate Attorney General, has been sentenced to 21 months in jail for mail fraud and tax evasion. William Kennedy, former associate White House counsel, and possibly one of the people involved in the hirings of Craig Livingstone, failed to pay Social Security taxes and resigned. Bernard Nussbaum, former White House counsel, resigned his post after being accused of improper contacts with Whitewater investigators. David Watkins, former White House director of administration, resigned after he used a Presidential helicopter to play golf. Hazel O'Leary, Secretary of Energy, has committees looking after her travel, and though she is still in the job, questions remain. More than a dozen indictments relating generally to Whitewater, most resulting in plea bargains, if not convictions. As a matter of fact, three close associates of the President were convicted by a jury, including the President's hand-picked successor, Gov. Jim Guy Tucker.

Then the Travelgate matter. It was as a result of the Travelgate investigation that the information about the FBI files came out. It was, really, quite by accident. The House committee investigating the Travelgate matter had asked for 3,000 documents, all of which had been denied by the White House, 3,000 documents. Finally, under threat of subpoena and contempt of Congress if they did not comply with the subpoena, the White House agreed to turn over one-third of those documents. It was one of those 1,000 documents that led investigators of the House committee into the FBI file issue, because there was a reference to FBI files having been obtained, I think, perhaps, relating to Billy Dale who was the fired head of the Travel Office of the White House. The rest, as is commonly said, is history.

It was learned first that there were about 300 files, then 400, and as the Senator from Georgia pointed out, it may now be as many as 900 files improperly obtained, most of which were reviewed. It is unclear whether information in those files has been revealed to people improperly. In any event, the mere review of those files was improper, as was the acquisition of those files from the FBI. Also, quite improper was the storage of the files then in the White House, rather than having them returned to the FBI. The fact they were not secure and many people had access to them who should not have had access to them, we do not know yet what might have been done with those files and whether information was copied or used. We may not know for a long time whether information in those files, stored away in somebody's drawer, might later come back to haunt some of the people whose files were improperly obtained.

All of this is beginning to come out. It is not coming out from the White House. It is having to be gathered by the House committee, the Senate committee, the special prosecutor. Just little bits and pieces of information keep coming out. There is no coming clean by this administration, which was going to be the most ethical in history. As a matter of fact, the President originally attributed this whole matter to a bureaucratic snafu. Now, I think one of two things is true, Mr. President, but a bureaucratic snafu is not one of them.

Here is what we know for a fact: A political operative, so described in the press, I am talking about Craig Livingstone, part of his responsibilities in previous campaigns had been opposition research, and part of it had been to cause Republicans traveling around George Bush, I think, in particular, trouble when he stopped at various locations. But Craig Livingstone has had a history in Democratic campaigns of snooping on the opposition, learning facts. I believe it was by his own admission or perhaps he was proud of the fact that he learned things about the Dan Quayle campaign, took them back to the Mondale campaign, and, as a result of that in the debate that Dan Quayle and Lloyd Bentsen had, Bentsen was able to come up with the great line, "You're no John Kennedy," because Livingstone had learned in advance that Quayle was going to compare himself during this debate to John Kennedy.

So here you have a man who has admitted that he is a political snoop—some say dirt digger, but let us use the term that is generally applied, and that is a person skilled in "opposition research," an individual who finds out things about the opposition in political campaigns, a person with no professional security experience whatsoever.

Now, when this administration comes into power, people who have been there through Democrat and Republican administrations, nonpartisan, profes-

sional security people, who have been in charge of White House personnel files, to get clearance so that the people who are in the White House are all cleared, are let go. Mr. Livingstone is brought in, and nobody seems to remember who hired him. Nobody can recall. This is the first job this guy has in the White House, and he cannot remember who hired him. I think if I got a job in the White House, I would remember who hired me. But that is another matter.

This person, with no experience whatsoever, certainly not a professional in security matters, is put in charge of what? He is put in charge of the most sensitive material on any American citizen—their FBI file. These are the things which people have had to tell the FBI in order to get clearance. They are the most sensitive things about their history that exist. These FBI files, then, are routinely reviewed by the security office in order to give these clearances. Craig Livingstone is specifically given the job of clearing people for the ability to be in the White House and have access to the White House.

Now, is it a coincidence that somebody who is skilled primarily in opposition research in political campaigns just happens to come across 300, 400, 600, maybe 900 FBI files—almost exclusively of Republicans—and that he then has a friend of his, who also has been involved in this kind of political activity, review those files? Is it just coincidence that a person with that kind of background then begins to conduct this kind of activity? Maybe so. That is one possibility. The other possibility is that he was told to do it and he was following orders. Those are the two possibilities, Mr. President.

There was no bureaucratic snafu because there was no bureaucrat involved. There was a paid political operative involved. One of the things that I think we need to find out is exactly what did Craig Livingstone and Anthony Marceca do when they worked in the various Presidential campaigns that they worked in? Were they involved, as has been reported, in doing opposition research? Why were they hired? Who made the decision to hire them? Why were they hired? People with no security background skills, but very skilled in opposition research—apparently—according to Craig Livingstone's own comments in his hometown newspaper. Why were they hired? Who hired them? What instructions were they given? Were they simply operating on their own? Based upon the information that has come out in the hearings, it is very unclear whether or not anybody gave them instructions. It is not resolved yet. That is an open question. It may be that if you hire a plumber, you will assume he will do plumbing. And if you hire an opposition researcher, the assumption is that he will do some opposition research for you. Maybe there does not have to be an explicit instruction. As a matter of

fact, maybe under the doctrine of plausible deniability here, the instructions were given in a wink and a nod so that anybody higher up in the White House could say, "Gee, I never told him to dig up dirt on Republicans. I guess he just did that on his own. We certainly did not ask him to do it."

So it seems to me that one of two things is true. When you hire a political operative, a person who is skilled in opposition research, by his own account, and he happens to gather up the files of the opposition on, in effect, 800 or 900 Republicans, it could be coincidence. That could be true. It could also be that it was intentional. If it was intentional, it was for the purpose of learning information about these people which could later be used for political purposes. There has been a lot of speculation about possible motives. There is no question that Billy Dale, the head of the travel office, was greatly mistreated by this administration. The FBI was brought in to investigate. He was eventually prosecuted and, of course, he was found innocent. But his file was among those requested, and the files were from A to G, and that certainly falls within that area. So it could have been to get information on him, and the rest of the files were used for cover.

It could have been that this administration, intent on learning everything it could about 900 Republicans—there were something like a thousand people who needed access to the White House, who needed clearance, and they had not even complied with the FBI yet so they could be cleared. It was a year or two before many people who needed security clearances in this administration were cleared. It finally became a scandal about this same time. Dee Dee Myers, the press secretary, did not even have clearance. Time after time, people who needed clearance put off interviews with the FBI, refused to give them information. It was not until after this that the GAO did an audit and the White House had to clean up its act and at least get the information together to provide the security clearances for people who required access to the White House.

There is speculation that in order to, in effect, cover for that deficiency and inadequacy, the thought was that if we dig up some dirt on Republicans, that will even it out and there will not be so much heat put on us. Maybe it was simply for future use, or for present and future use. We do not know. We have not gotten answers to some questions yet. Either it was an enormous coincidence, or there was something more sinister behind it.

In either event, it was wrong, and no one has denied that access to these FBI files by people who should not have had access for these reasons was wrong, was unethical and, perhaps, depending upon if IRS material was in the files, for example, was illegal as well.

So let us just conclude with some questions here that I think we are

going to need to get the answers to before we make any accusations. I do not think we know enough yet to make accusations. Here are some of the questions I would like to have answered. Let us tie down exactly who hired Livingstone and why. It was, as George Stephanopolous points out, an incredibly loose, informal, and I would say negligent approach to hiring one of the most important people in the White House. He happened to be on board when Kennedy got there and, therefore, they just assumed he should be the guy in charge. So his employment was then ratified. Well, who decided all of that, and on what basis was Livingstone hired as opposed to some professional?

As a matter of fact, the White House had a recommendation before it by the then chairman of the Senate Intelligence Committee, my predecessor, Senator DeConcini from Arizona—a Democrat, by the way. After reviewing the White House security office situation, that committee made recommendations, conveyed by Senator DeConcini, that the White House had to get its act together and appoint a professional, nonpartisan person to head this office. That was not done. As a matter of fact, I have read that letter of transmittal. There was a very nice response back by the then White House counsel, Lloyd Cutler, who thanked Senator DeConcini for the information and said they would get back to the committee after deciding what to do. As far as I know, there was never any further response. It was known that there was a problem here. So, in a bipartisan way, recommendations were made to the White House to clean it up. But it apparently was not cleaned up.

Who discussed this within the White House? Why were the political operatives put in charge of reviewing these files? What activities did Livingstone and Marceca actually perform in the Democratic campaigns of George McGovern, Ed Muskie, Geraldine Ferraro, AL GORE, Bill Clinton, and others? Are these men the political opposition researchers, dirt diggers, spoofs, or whatever you want to call it? Did Livingstone infiltrate the Dan Quayle campaign? Who gave them their instructions and what were they?

Did anyone in the White House ever become aware of any of the information from those files? This information only came to light, as I said, because the House oversight committee was going to subpoena it from the White House. But there are still 2,000 documents that have not been reviewed. There is now an arrangement under which the House committee can look at those 2,000 documents. But they cannot be taken out of the White House possession. What is in those 2,000 documents?

Finally, when the problem was discovered, why did the White House not come forward? Why was Craig Livingstone hired? If it was merely a mistake, as the White House indicated, one

would have thought, if this is the most ethical White House in the history of the Republic, that the White House would have come forward and would have said, "We want to find out something here; we want to make everybody aware of it; here is a big mistake; here is what it is." You would have assumed they would have come forward.

One of the suggestions of wrongdoing is there is an attempt to cover up. Certainly in this case there has been an attempt to cover up.

So I realize these are more questions than answers but I think these are the things that we need to get out, and we need to find the answers to. And in this case, unlike the assertion with regard to certain other situations, there is already an acknowledgment by everyone that there was something wrong done. It was a question about whether it was intentional, or just accidental. But clearly it was wrong.

So I do not think we can have the excuse that we should not be spending money to look into this, that there should not be hearings to get to the bottom of it, and so on. Remember that when there is any illegality, or impropriety, or something that is wrong and gives people less confidence in their Government, we need to get to the bottom of it because the essence of a democratic republic, such as ours, is that the people run their government, they have confidence in it, they have trust in it, and when that lags, when that fails, when it frays, then the very fabric of our Government begins to come apart.

So, Mr. President, I commend the Senator from Georgia for having this discussion to bring some of these questions to the floor; to raise some of the questions that we still need to get answers to. And I think it is appropriate, both for this body and for the House of Representatives, to continue the investigation to get to the bottom of the matter so that at a very minimum nothing like this can ever happen again. It is people's lives that have been intruded into here; innocent people. And the power of the Federal Government and of the White House should never be used for political retribution, or to disclose the deepest secrets of any individual for improper purposes.

Therefore, we have every reason, I think, to ask these questions and to try to get to the bottom of this FBI file matter.

Again, I thank the Senator from Georgia for bringing this matter to the light of day.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I want to pay particular compliment to the Senator from Arizona. I believe he has framed the substance of this issue very succinctly, in a way that is most understanding in the phrasing of the questions for which we must resolve. It was exceedingly well done. I want to

compliment the Senator from Arizona for his usual form as he deals with this very, very sensitive subject.

Mr. President, I want to go back to the Washington Post editorial that appeared on July 3. They point out that we now have three separate inquiries, or investigations into what went wrong between the White House and the FBI. There is the House inquiry, a Senate inquiry, and, of course, the Justice Department has now turned this matter over to Independent Counsel, Kenneth Starr.

They say:

The three probes need to find out if the country has an abuse of Presidential power on its hands or whether it is witnessing yet one more White House staff-administered blow to this President's prestige.

Then they go on again to say that we need to separate these probes from the books that are appearing on a regular basis, and I concur with that entirely.

It goes on to say:

Four days of congressional hearings, however, have yet to adequately explain why hundreds of FBI reports on employees of former Republican administrations ended up in the office of former party operative and now resigned White House personnel security director Craig Livingstone. For nearly two years, sensitive FBI documents were maintained in an office and vault where political advance types, interns and volunteers—without security clearances—could have had easy access to them. What happened to security standards?

This is a question that every American citizen will now want answered, and answered quickly.

Mr. President, we have been joined by the Senator from Montana, and I yield up to 10 minutes to the Senator from Montana.

Mr. BURNS. Mr. President, I thank my friend from Georgia.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. BURNS. Thank you, Mr. President.

Mr. President, we have all come off of a week of vacation with a lot of travel. You get to visit with a lot of people. We think that the whole world is focused in on what happens here in Washington, DC. To our surprise it is not. Maybe that is something to be thankful about.

Mr. President, I am baffled after coming off this vacation that I can be sitting in a committee hearing with CEO's and president's of companies like Netscape, like Microsoft; like all of the companies that have come to be, within the last 10 or 15 years, powerful; and companies in the new technologies that we are using today, listening to these president's and CEO's argue for strong encryption technology that is vital to the future of businesses while at the same moment this administration is apologizing to the American people for the exposure of confidential FBI files—I just find absolutely unbelievable that this kind of snafu could be permitted by and enacted by several of the employees at the White House

that have unlimited access to extremely—I say “extremely”—confidential information on hundreds of prominent Americans.

After this incident, it gives me pause. And it might be clear that not only does this President believe in big Government, but, I add, does he also believe in Big Brother? Contrary to popular opinion, Big Brother is probably watching and listening to all of us.

A startling fact revealed this week is that over the last 4 years electronic eavesdropping has increased by 100 percent; from 340 in 1993 to an estimated 700 in 1996. Does that mean that we have more criminal activity? I do not think so. I think in fact that most of the crime figures are going the other way. The 1994 Communications Assistance for Law Enforcement Act mandates that all of the Nation's telephone carriers build special access for Government wiretappers as these new telephone companies develop new digital telephone systems, and that access makes it easier for the Government to listen to just about anybody or anything that they want to.

Right now in this country among the business community—and after the passage of the 1996 Telecommunications Act that allowed this new superinformation highway to be built and to be advanced—we are seeing that information highway used for many purposes: Business creation, national security, communications, and exchanging information. Most of the integrity of that information highway will depend on the kind of encryption or the codes that we can put so that whoever we mail to we make sure that it is for their eyes only and that it has not been monkeyed with or tampered with.

Any of the three is crucial in doing business on today's information highway. It is just like you drive a truck. If you want to ship some goods to Pennsylvania, you use a public highway. That could be called the Internet. What do you do? You lock the truck. The truck gets on the highway, gets off the highway. You want to make sure that your property is protected. That is very essential in this business, this business of high tech and using the information highway.

So basically, we need security through encryption technology to protect our bank transactions, our health transactions—telemedicine is a reality nowadays. We will deliver our medical services via the information highway. Your medical records should be kept secure—Internet commerce; in other words, if you are doing business on the Internet, you have communiques for your people, their eyes only—and, of course, software security.

There is intense international competition in the technology of encryption. So, Mr. President, we do not live in a vacuum. Other countries are developing encryption technology. But American software companies are hurt by the old World War II-type mentality to encryption technology.

Ironically, the only obstacle to creating the safe environment in cyberspace is none other than the White House. The President actually argues it is imperative for Government to keep a decoder key, a decoder key—they call it key escrow—of each company's encryption codes for public safety. I am wondering whose safety they are really looking out for.

This graph sums it up for us. Confidential FBI files and back door gateways to our computers are off limits. It is off limits. People can understand a snafu, but they do not understand when their privacy has been invaded without their knowledge and without them giving authority to look at that information.

If you are having security troubles with confidential paper files, how can the Government be trusted with highly sensitive proprietary encryption codes for multibillion-dollar high-tech companies? I just happen to believe that the American people have real concerns about Big Brother. It is called trust. They just do not trust the Federal Government to have any kind of control over their privacy anymore. And using the FBI to investigate anybody is only the tip of the iceberg when it comes to the potential for corruption in the computer industry.

I have America on my mind today, and I am really concerned about the stand that the administration has taken on encryption. I was in Palo Alto on Monday, a week ago, talking about this very thing and, yes, it is something that we are not allowed to export, an encryption that goes beyond the 40-bit-link standard. We can buy it in this country. We can use it in this country. It is about a \$15 billion a year export business that was locking our software production. You can talk about strictly a business deal, but basically we must have encryption if we are to move more things electronically, even for national security.

I urge the President to rethink his position on encryption technology and just support the efforts to protect the privacy of U.S. citizens. I take that very seriously. I think this Government should take it very seriously. And I think the people of this country should have very, very serious concerns with even a little snafu. And it is not a little snafu, folks. It is not little. It is big. And it is just the basis of a free society.

Mr. President, I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I thank the Senator from Montana. He brings to the Senate floor a unique expertise on privacy in the new technology and I appreciate very much his sharing that with us here this afternoon.

In just one moment I am going to yield to the Senator from Idaho, but returning to this editorial as a post-

script of what we heard from the Senator from Montana and a prelude to what we will hear from the Senator from Idaho, it goes on to say, and I quote:

A deeply disturbing picture already has emerged based on sworn depositions the House Committee on Reform and Oversight obtained from Mr. Livingstone and his hand-picked detailee, Army civilian investigator and political operative, Anthony Marceca. The deposition of former White House counsel William Kennedy III adds to the concern.

Adds to the concern.

If the new administration attached much importance to security requirements for White House employment, it is not evident.

I repeat: “It is not evident.”

With that, Mr. President, I yield up to 15 minutes to the Senator from Idaho.

The PRESIDING OFFICER. The senior Senator from Idaho is recognized for up to 15 minutes.

Mr. CRAIG. Mr. President, I thank my colleague, the Senator from Georgia, and also the Senator from Montana, for their comments on this very critical issue.

I see two lines of thought when it comes to the White House and the responsibility as it relates to the FBI files and controversy. The first line is that the White House masterminded the request for the FBI files in order to compile a political enemies list and make trouble for their political opponents. That is the first line I think any reasonable person listening might gather.

The second line is that Craig Livingstone operated independently, and if the White House is guilty of anything then it is guilty only of incompetence or sheer ignorance. Somehow one of those lines in the hearings that are underway must prevail.

Now, if none of those are true, then I would offer a third option, what I call the agricultural approach. Maybe it is from my background, but it goes something like this. In farming country, you should not be too surprised if you are growing wheat and you plant wheat that wheat is what you get.

What am I saying here? I am saying that if you plant a political operative as a director of the Office of Personnel Security, and a political operative who boasts about helping in the dirty tricks of the last Clinton campaign, you should not be too surprised if you harvest a crop of dirty tricks and FBI files. In other words, you reap what you sow, and it appears that the White House has sown some pretty bad seed in the Office of Personnel Security.

The point is that even if the White House did not plan this operation, it has established the kind of culture that allows and even encourages abuse of power to occur.

What do I mean by that? I mean an approach to Government that is fundamentally at odds with the concept of the limited central authority. I mean an elitist view that casually accepts the misuse of power as long as the individuals involved are members of the

politically correct circle driven by politically correct goals. I mean an environment where honor and character get lost somewhere in the political spin of the week.

It is not just Craig Livingstone or Anthony Marceca. In a previous White House, Republican or Democrat, those two would have been stopped well before any confidential files were ever requested. In fact, someone like Mr. Livingstone, with his background and lack of professional credentials, simply would not have made it to any post in any other White House except this one.

Even the President's own party recognized the potential problems that they are now having to live with. Former Senator Dennis DeConcini reviewed White House security operations 2 years previously and recommended a number of changes, including getting a new chief of security who was nonpartisan and professionally qualified.

That is a Democrat Senator saying to a Democrat White House: You have a problem down there, and you ought to fix it so you do not have a problem. Of course, he was ignored. But in a culture that rewards political gamesmanship, the most qualified individuals are those with the greatest skills on outwitting the opposition. And in that culture, Craig Livingstone was not just adequate, he was an outstanding candidate for the job. His fellow political operative, Anthony Marceca, was an outstanding candidate for his assistant.

In that culture, it was no big deal to abuse the FBI and violate the privacy rights of innocent citizens; just make sure you do it for the right reasons, make sure nobody can prove anything bad came of it. That is the name of the game in this White House, and I think all of this is going to show that is the kind of game Mr. Livingstone and Mr. Marceca were part of.

You would think an administration that prides itself on dedication to civil liberties would have shown a lot more concern about the so-called snafu, if it really was any surprise at all. After all, we are not talking about dropping by the local library and looking up some public official in "Who's Who," or asking for an official biography on someone. These are highly confidential FBI files that can contain very embarrassing and even false information.

Senators cannot get these files. You and I would need a good, official reason, an authorization, and even then we would have to review the files in a strictly controlled setting in the presence—let me repeat—in the presence of an FBI agent. You and I could not pick up the phone and demand these files but for only official reasons, and then if they were brought to us under those official reasons, that FBI person would remain present so we would never be allowed to copy or take notes from these files. Yet here these files were just dumped at the White House, by all reports, and we have discovered that

they were accessible to interns and others without security clearances.

Where are the White House civil libertarians, who should be raising the roof about this breach of trust and this abuse of power? The Constitution is not self-enforcing. Our liberties require actual defenders and actual champions. Yet, in the culture of the present administration, this misconduct gets nothing more than labeled as a bureaucratic snafu?

How did Mr. Marceca's lawyer put it? He said his client's files "show a bureaucratic process being carried out by a bureaucrat * * *." I guess we are supposed to assume that anything a bureaucrat does will be OK because, after all, the Clinton administration's motives, of course, were beyond question, and whatever is done in advance of its goals is, therefore, justifiable. Is that what the American people are being served up at this moment, and is that what they are expected to accept?

I do not buy that explanation. I hope no one listening will. Neither does a majority of the American people, I think. If you look at the polls, they are not buying it, thank goodness.

Let me repeat that. A majority of the American people do not believe the official White House explanation, and that is despite the fact that the media is doing its best to downplay the entire fiasco. Maybe the American people realize that the bureaucracy is not a thing, it is people, presumably officials, who are accountable to the public for their actions. Maybe they do not agree that supposedly noble motives of the Clinton bureaucracy justify every action. No, I do not think they believe that either. Or maybe this is just an implausible story, and maybe it is just one too many, story after story, spin after spin, that has come out of this White House. Thank goodness the American people are starting to disbelieve.

Let us not forget how we learned about these files, though, in the first place. While we are trying to understand the spin of false information, the House committee investigating the improper firing of Billy Dale and other White House travel officials or employees had to threaten jail to the White House counsel in order to shake relevant documents loose. It had already been determined that these people had been fired in a false way. It was in those documents, which they had to threaten the highest level of effort on the part of this Congress to get, that we discovered that Billy Dale's files were requested, and that was only the beginning of an effort that uncovered all of this much larger request.

Originally, if you remember, Mr. President, we were told it was only 300 files. Then, lo and behold, 400 files. And, my goodness, now it is 700 files. Originally, we were told an outdated list was at the bottom of the bureaucratic snafu. Then we learned no such list could possibly have been generated at the time through the normal resources.

We cannot find out for sure who hired Mr. Livingstone, and no one has yet to explain why this work on confidential files of Republican appointees and former National Security Council staff was given priority well beyond the publicized backlog of an unfinished check on security clearances of hundreds of Clinton appointees. I must tell you, none of it makes sense. None of their stories seem to fit. All of their stories are a bit different.

How, then, can Mr. Marceca take the fifth? Why would he take the fifth? Is it his own files he is concerned about? Something is wrong, dramatically wrong.

Mr. President, to their credit, members of the President's party have denounced this as a clear abuse of power. "Whose power, the President's?"

"Well, of course not. Bill didn't know about it"—excuse me—"the President didn't know anything about this. It was somebody down the line."

Let me suggest a culture, a style, a way of doing business in this White House that starts at the top. It starts with the President. He was the one who said we will have the most ethical White House and the most ethical administration in the history of our country.

Mr. President, you did not keep any of your campaign promises. This is one promise as a President that you have not kept either. This is a White House and an administration that is now ripped and torn with controversy. Now a hit list, a campaign list, to go after Republicans or anyone else who might get in their way. I am sorry, this one does not wash. I think the American people recognize it does not wash, either.

I think it is time the White House comes clean. Obviously, I think it is time this administration, and maybe this President, tell us the truth.

I yield the remainder of my time.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I appreciate the comments made by the senior Senator from Idaho. I think he has raised questions that clearly are on the mind of every American.

In one moment, I am going to yield up to 7 minutes to the senior Senator from South Carolina, but I am first going back to this very telling editorial. I have been quoting it all afternoon. This is from the Washington Post of July 3:

Not only was Mr. Livingstone professionally unqualified for his job, but also his own background investigation raised questions regarding his suitability to fill such a sensitive position. Yet, when FBI background investigations on White House employees arrived at the White House, they were adjudicated by Mr. Livingstone, of all people, according to his superior, Mr. Kennedy.

As has been raised by every speaker here this afternoon, the incongruities of a person with no security background holding this responsibility and arbitrarily skimming through hundreds of personal records that he was

able to obtain from the FBI produces a series of formidable questions about the integrity of our Government and our system and the rights of our individual citizens.

Mr. President, I yield up to 7 minutes at this time to the Senator from South Carolina.

The PRESIDING OFFICER (Mr. THOMPSON). The senior Senator from South Carolina is recognized.

Mr. THURMOND. Mr. President, it is appropriate that the Senate and the House of Representatives continue to examine the troubling developments recently uncovered at the White House. The American people have a right to know the details and intentions of requests from the Clinton administration to the FBI for hundreds and hundreds of sensitive background files on private citizens.

FBI Director Freeh has ordered new procedures to protect sensitive background material following unjustified and improper requests by the Clinton White House for over 700 FBI background files. Director Freeh has said that the White House had no justification for gathering these files and that the situation was an egregious violation of privacy. Director Freeh said that the requests from President Clinton's operatives in many instances served no official purpose and at one point he stated that the FBI had been victimized.

The White House has said that its collection of FBI files of private citizens was an innocent mistake. That is their response before the facts are examined and seems to reflect an instinctual reaction by the White House anytime questions arise concerning their operations. The facts have yet to be fully examined and it strikes me as premature and politically convenient to describe this situation as a "bureaucratic snafu."

Initially, the White House would have us believe that Mr. Marceca was a random detailee from the Army who had been arbitrarily selected to work temporarily at the White House. We have since learned that Mr. Marceca—who along with Mr. Livingstone handled the sensitive files—is actually a seasoned Democrat political operative. They both have extensive political campaign experience. Mr. Marceca sought the post at the White House to work with his friend, Mr. Livingstone, and officials in the White House counsel's office wrote to the Secretary of Defense requesting his assignment.

Recently, we learned that Craig Livingstone—who was the White House personnel security director—boasted on his resume that he staged counter-events for President Clinton during the 1992 Presidential campaign. Earlier, we learned that his experience in personnel security was limited to his work with President and Mrs. Clinton's Hollywood producer friends during the Inaugural activities. Clearly, Craig Livingstone was not qualified to serve as the head of the White House personnel security office.

The one thing we have yet to learn is who hired Craig Livingstone. No one takes credit for his employment. Although a retired FBI agent says that he was told by White House counsel that Mrs. Clinton wanted him in that position, Mrs. Clinton has denied being responsible.

At one point senior Presidential adviser, George Stephanopoulos, praised Craig Livingstone saying he was the man to see whenever you wanted anything done. Lately, Mr. Stephanopoulos has said he does not know Livingstone that well, has only seen him around. The Washington Post has referred to Craig Livingstone as a phantom appointment. In a June 28 editorial, the Washington Post went on to say,

At this stage, nobody at the White House will claim credit for Craig Livingstone. It gets you wondering whether there are other people working in sensitive spots in the White House who are, well, just there, and whose hiring cannot be accounted for . . . So people just walk in off the street, sit down at a desk and send for files—or what?

Mr. President, as you know, we are at this point because the White House only recently turned over documents pursuant to a long-ago subpoena from the House Oversight Committee. Within the documents submitted, the House Oversight Committee found a White House request to the FBI for sensitive background files on Billy Ray Dale. The request for FBI background on Mr. Dale was dated 7 months after he had been wrongly fired as head of the White House Travel Office. It was only after this was discovered by the House Oversight Committee did the White House admit it had collected FBI reports on hundreds of private citizens.

Mr. President, it is important that hearings continue because right now we have more questions than answers. The American people demand accountability. The American people want to know what right Clinton administration officials have to request hundreds upon hundreds of sensitive FBI files on private citizens. What were they doing with this information? This latest troubling development within the Clinton administration represents a dangerous practice and one that deserves careful scrutiny. It is my hope that we will continue to examine this matter and uncover all of the facts for the American people.

I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, I yield up to 15 minutes to the distinguished assistant majority leader, the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Mr. President, I wish to thank my colleague from Georgia for his leadership today and many times on the floor.

The issue I am going to address today is not one that I enjoy, but it is one

about which, I think, the American people are entitled to the facts. I want to read a quote that was made in January 1993 by President Clinton:

I promise the most ethical administration in the history of the Republic.

January 24, 1993, quoted in the Washington Post.

This administration has been anything but ethical. As a matter of fact, there has been a litany, a continuation of scandals that have been plaguing this administration. Some people say they are much to do about nothing. I disagree. I am afraid some of these scandals are quite serious. A lot are serious violations of the law, if they turn out to be proven true. Let me touch on a couple of them.

Probably the most famous one is Whitewater. I heard a reporter saying, "Well, there is not a whole lot of substance to that." Yet, the Governor of Arkansas lost his job over Whitewater. There must have been some substance to the allegations.

Obstruction of justice is against the law, and there were reports that were subpoenaed that took over 2 years to surface, and they surfaced adjacent to Mrs. Clinton's quarters, or in her library, which had very limited access. Obstruction of justice is against the law, and those files just recently somehow appeared.

There is information in Vincent Foster's office that dealt with tax returns and dealt with Whitewater and dealt with a lot of different things that, again, mysteriously disappeared for months. Reports are that they were actually in the personal quarters of President and Mrs. Clinton. Those are serious violations of the law if they are obstructing justice, obstruction of the investigation of Mr. Foster's death.

A lot of other things have come to light. I will just run through a litany of them very quickly. In the book "Blood Sport," Mr. Stewart talked about the Clinton's deducting \$20,000 in a principal payment. I think everyone knows that you deduct interest; you cannot deduct principal. My son is 26 years old. He recently purchased a townhouse. He knows you deduct interest; you cannot deduct principal. Yet you had a Rhodes scholar and an attorney, the President and Mrs. Clinton, and they deducted \$20,000 or more in principal. That is a violation of law. That is tax evasion, and that is wrong.

Consider Mrs. Clinton's profits that were made from a \$1,000 investment in cattle futures or commodity trading that grew to \$100,000 in 10 months, that defies probability. I heard some people say that the chances of that happening are one out of a billion. It is not possible. Certainly it looks corrupt. Again, I remember President Clinton's speech in 1992. He said, "The decade of greed is over." But yet you see this type of thing going on.

There is a trial in Arkansas right now where two bankers are accused of illegally getting \$53,500 in cash for the Clinton campaign. I heard President

Clinton is not on trial. I have not heard anybody say, "Well, what were they doing with \$53,000 in cash?" Every person in this room that has run a campaign—we all have campaigns, and maybe you need a couple hundred dollars in cash every once in awhile, maybe. But you do not need \$53,000 in cash for anything that is legal. I have not heard that question being asked. Maybe it was legal. Maybe it is legal to take \$10,000 in cash and distribute it around the State, or \$50,000. But I cannot imagine it.

To me it sounds very unethical. Yet that trial is going on today on whether or not the funds were laundered, and what his involvement was, and whether jobs were involved quid pro quo for exchange of those kinds of contributions. But why in the world would somebody have \$53,000 in cash? I have run three statewide campaigns. I do not know that we ever had \$1,000 in cash. I cannot imagine \$53,000.

They knew they were breaking the law, a community of individuals did, when they were withdrawing the money from the bank because they tried to hide it. So they knew there was some risk. But somebody in the campaign wanted a lot of cash. That is directly related to, at that time, Governor Clinton.

Now, Mr. President, we get into this scandal, this latest one, Filegate. What brought some of that about? Travelgate and the fact that seven members of the travel office of the White House were fired. I have always said they had a right to put in their own people, but they did not have a right to call in the FBI to try to justify an abuse of power by firing them and then prosecuting Billy Dale. Billy Dale's FBI file was requested 7 months after he was fired. That is a real abuse of power.

They did not need the FBI file then, yet they requested the file on him and hundreds of others, maybe several hundred. And 408 was the number that people are using now. Originally, it was a couple hundred, then 400. Now we find maybe another 300, maybe Mr. Marceca had several hundred others. Maybe well over 1,000 files the White House had on individuals. But the FBI files were certainly an abuse of power. The 408 were almost all on Republicans. So if it was not political, why were they only investigating Republicans? Why were they investigating individuals who had not had access to the White House in over a year or longer?

These files were requested in December 1993 and early 1994, all upon Republicans who left the White House at least a year earlier. These were for permanent access to the White House so they would have open access to come and go as you please. The individuals whose FBI files were collected did not need permanent access to the White House. They could get a visitor's pass like anybody here can. If you go visit the White House or if you have a special guest, you get a pass for a day.

You do not need an FBI background check for a visitor's pass. But a background check was requested by the White House for these at least 408 individuals.

This is a real abuse of power. A real abuse of power. Maybe an egregious abuse of power. It is particularly egregious that the White House requested the FBI file on Billy Dale whom they previously fired. Yet, not only did they fire him, but they prosecuted him and persecuted him and wanted to try to justify their firing of him. They did not have a good reason to fire him except maybe to replace him with some cronies. So they tried to justify their firing of him by pulling in the FBI. That is an abuse of power, and certainly should be reviewed.

But when we find out now that they requested the files of 408 others, and they were in the hands of not national security people, they were in the hands of Mr. Livingstone and Mr. Marceca, two people who would be charitably defined as political hacks, hatchet men, people who wanted to dig up dirt on opponents, and did that in past campaigns, and had access to private files which could destroy the lives and careers of individuals, that is unbelievable. And it happened, happened in this administration. For President Clinton to say it was a bureaucratic snafu I think belittles the intelligence of the American people.

Mr. President, when Senators receive an FBI file—it is done very seldom. I have only done it a couple times, a few times. Any time I have had an FBI file in my office, that FBI file has also been accompanied by an FBI agent or a staff member with particular security clearance. That file does not leave the presence of the FBI agent or that staff member with special clearance. I cannot Xerox it. I cannot photocopy it. I cannot take notes from it. I cannot do anything with it. I cannot pick somebody and say, here is what it says. I can read it and hand it back. That file does not leave the presence of an FBI agent or that special staff member.

That file, when it leaves my office, is returned to a locked vault. It is not obtainable or accessible by anyone. To think that the White House obtained hundreds and evidently were trying to get hundreds more, had those in not a secure area, not in an area that was protected, under the control of a couple of political hacks, for whatever reason, is really not acceptable. We would not have found out this information if it had not been for the House of Representatives and their threatening contempt-of-Congress action against this administration.

So, Mr. President, it is with real regret, but when I read the President's quote of January 4, 1993, which says, "I promise the most ethical administration in the history of the Republic," I just laugh. This may be the most unethical administration. It certainly brings back comparisons to Watergate and the Nixon administration. But this

administration may even exceed some of the abuses of power that transpired at that time. I do not say that lightly. It is with real regret.

Mr. President, I just urge the White House to begin cooperating, as the President said that he would. They have yet to date to release all information that the House committee has requested. We still do not know who hired Mr. Livingstone. We do not know what are in the files Mr. Marceca has. Mr. Marceca has taken the fifth. He refused to testify before a Senate committee. That is his right to do so. Maybe the White House should encourage him, "No, don't take the fifth. Go ahead and tell everything you know. Release the information. Let's see what was on your disc that has all this information on Republicans, and so on. Let the information come out. Let's find out the truth."

Let us find out the truth on Mrs. Clinton's commodity trading. How did she make a profit that goes from \$1,000 to \$100,000 in 10 months? We need to find out answers to that. What did happen to the billing records or to the Rose Law Firm Whitewater billing records that were in the White House for 2 years?

We need answers to these questions. I heard Mr. Clinton say, "I hope we find out the answers." But the White House really has not cooperated. Certainly, they have not been the most ethical administration in the history of the Republic. Quite the contrary, they may be the most unethical administration in the history of the Republic. I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. In just a moment I am going to yield, but I first want to thank the assistant majority leader for the contributions he has made in the grave questions that are hanging over Washington here today. As usual he has done it in an exemplary manner.

I am going to read one more quote, and then I am going to yield to the Senator from Idaho. This is in the Washington Post, Wednesday, July 3. It says:

It doesn't get any better with Anthony Marceca, the on-loan Army civilian who improperly requisitioned and reviewed more than 700 FBI files. Mr. Marceca, it now turns out, wasn't retained at the White House following his 6-month stint. Again from Mr. Kennedy's deposition: "Tony's background had come in, and there were some problems revealed with it that made me think it might be better if he kind of went back to where he was." And Mr. Marceca did. But he returned to Mr. Livingstone's White House office long enough, reportedly, to gain unauthorized access to his own FBI file, which enabled him to sue two sources he believed provided negative testimony against him. What a pair.

So the Washington Post is saying. What a pair Tony Marceca and Mr. Livingstone have turned out to be. It is beyond comprehension that these people

would be at the center of security in the White House of the United States of America.

Mr. President, I yield up to 5 minutes to the Senator from Idaho.

Mr. KEMPTHORNE. I thank the Senator from Georgia for his efforts today. Mr. President, I will address this issue from the aspect of the type of security and sensitivity that surrounds an individual FBI file, Federal Bureau of Investigation. I come at it as a member of the Senate Armed Services Committee.

From time to time, it was my responsibility to review the FBI file of a nominee who would be coming forward for Senate confirmation. When I review that file, it would be done in the privacy of my office. No staff members were allowed to be present. Those are the rules under which we must operate. The individual bringing the sealed file over—in this case, it would be from the White House general counsel, or it could be an FBI agent—remains in the room with the individual Senator as we review this extremely sensitive material.

Now, what type of material is in there? It can include the tax information of the person that has been reviewed, the personal finances back just as far as you want to go, the credit histories of the individual. If you had some problems in the past with your credit, if you had some areas that have been a problem, they are identified. The international travel which you have taken: Where have you been, why were you there, who did you see? The education, of course, including your college and high school grades; your work history; your health.

I spoke to a highly successful professional who has had to have an FBI file constructed on his behalf only to have him contacted and asked, "Well, have you had a mental disorder in the past, in fact, at the age of 18?" This individual has to think and say, "Well, at one time I went in and because of stress that we were going through, work related," the individual is a workaholic, the physician had put down mental exhaustion. Is that what is recorded, then, as a mental disorder in this file?

How many Americans would like to have interviews conducted among their neighbors and among their coworkers and friends, again, for as many years back? Do you think perhaps somewhere in that history there is somebody that may have a beef, somebody that maybe does not think you are just as good as others may think you are? They can share that, and none of these have to be corroborated or substantiated, but they go into those files. That is how sensitive this material is.

Now, I have described for you the process that an individual Member of the Senate goes through when called upon to review an FBI file, one file. Now, how in the world do we make this quantum jump that someone who was a political operative, that nobody in the White House can now determine who-

ever hired this person, can call up the Federal Bureau of Investigation, probably one of the most highly regarded law enforcement agencies of the entire world, to have some political operative call the FBI and say, "I want these files." Not just one file, two files, but as has been substantiated, hundreds of files, hundreds of files.

If I were a member of the Federal Bureau of Investigation, I would feel that my entire credibility was being questioned, that this sort of political operation has somehow clouded over that law enforcement agency. I believe that not only does it question the credibility of the Federal Bureau of Investigation, but I think it has created an enormous cloud over the people's house, the White House of the United States of America, where political operatives have access to those files of the Federal Bureau of Investigation, and nobody knows how it happened or how that person was hired. Yet, that person is the director of personnel security for the White House. Something is wrong. Something is very, very wrong.

I yield the floor.

Mr. COVERDELL. Mr. President, I thank the Senator from Idaho. I think he has added a very important ingredient. While many citizens, I think, understand how sensitive the FBI files are by their nature, that it is a collection of truth and gospel, nevertheless, recorded in the files, he has hit on a very sensitive nerve, that by discussing what is on the inside of those files he is telling all American citizens how very, very sensitive these files are and how damaging they can be, and for those reasons the FBI has traditionally guarded these files jealously, which is why I will refer to that in a minute, why Director Freeh is so disturbed about circumstances that have occurred here. I thank the Senator from Idaho.

Mr. President, I have been in the mood to quote newspapers here this afternoon. I have a copy of today's Washington Times. It has a photograph of the Vice President announcing his bid for President in 1988. The heading is, "Oh, That Guy: The Controversy Surrounding Filegate Will Undoubtedly Intensify This Week as Congress Reconvenes After the Fourth of July Recess." It goes on to say that the Vice President doesn't recall much about his 1988 campaign as it relates to Mr. Livingstone. He does offer that the advance man performed well in his duties, but the picture is most interesting because it is the Vice President and Mrs. Gore, one other fellow, and Mr. Livingstone, right, front and center.

Mr. President, in the testimony that we have heard this morning or the statements that have been made time and time again, we refer to the number of files, which, as I said, went from 300 to 400 to 600 to 700, and now I have seen a figure of 900. I believe, as important as the discussion is about what was going on at the White House, is the question, what was going on at the Federal Bureau of Investigation?

I cite in this June 14 for immediate release from the Office of the Director of the Federal Bureau of Investigation: "The FBI inquiry has also discovered Director Freeh said that the White House has identified 408 files sought and received by the White House without jurisdiction. Freeh said those files had been voluntarily surrendered by the White House to the FBI," and it goes on with a series of numbers.

My question is, after intense "inquiry" of the Federal Bureau of Investigation, how is it that the number of files certified by the FBI that were turned over to the White House is not the right number? One would think after ordering sweeping new measures to protect sensitive background investigation files and an inquiry in the FBI itself that by now there would be no question as to the number of files that had been obtained by the White House from the FBI.

I hope that the appropriate committees of jurisdiction will pursue answers from the FBI as to how in the world, given the long history and the depth of the sensitivity of these files, how in the world a siren would not go off by the time you had gotten to hundreds and hundreds of these files leaving the FBI.

I want to read another statement or two from this report, and then I am going to yield my time back. I know the Senator from Virginia is anxious to do a statement in morning business. I will not be but a minute or two longer.

It is important to note, Director Freeh said, that the FBI report contains this finding on the files requested by and given to the White House. Among the unquestionably unjustified acquisitions were reports relating to discharged travel office employees, Billy Ray Dale and Barnaby Brasseux. Director Freeh ordered the inquiry on learning a week ago that the White House requested and received a background file of Dale, a former White House travel director, months after he was fired. This does not sound like an arbitrary bureaucratic error, particularly in light of the difficulties the White House has had with Mr. Dale.

The FBI inquiry was expanded when it was learned that the White House earlier—the Clinton administration—also requested and received a large number of files on officials in the previous Bush administration and other persons. In addition, the FBI learned the White House requested and received the FBI file on a second discharged travel employee, Brasseux.

I am reading directly from the material given to the public by the Federal Bureau of Investigation.

It says:

In the past, the FBI routinely filled White House requests for copies of previous background files without checking to see if there were pending criminal investigations of the subject. Under new procedures, there will be checks on all subjects to determine if there are criminal investigations. Director Freeh said it is now clear that the system was very vulnerable to misuse and that government officials, over several decades, including himself, had not provided adequate oversight of the system, resulting now in violations of privacy.

In addition, Mr. President, we currently have letters from the House

committee chairman on ways and means to the Internal Revenue Department, IRS, the Commissioner, to determine if any of the data with regard to confidential tax matters is in this material, because if it is, that is a felony. Thorough clarification should be forthcoming from the Internal Revenue Service to comfort us that none of this information that was so willy-nilly distributed throughout the White House found its way into their hands, including material from the Internal Revenue Service.

So, as has been demonstrated here this afternoon, there are a host of legitimate questions that have deep meaning with regard to the protection of the rights of individual citizens in these United States of America.

Mr. President, with that, I conclude my remarks and yield back any time remaining that was dedicated to my control.

Mr. ROBB addressed the Chair.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

(The remarks of Mr. ROBB and Mr. MOYNIHAN pertaining to the submission of Senate Resolution 276 are located in today's RECORD under "Submissions of concurrent and Senate resolutions.")

FAREWELL TO PATTY DEUTSCHE

Mr. BURNS. Mr. President, I rise today to say farewell to my legislative assistant, Patty Deutsche. She has been with me for over 7 years and I will certainly miss her.

She arrived in my office with almost no knowledge of Montana but quickly became one of us. It did not take long for her to figure out that 60 miles on a map did not necessarily mean a car ride of 60 minutes. And since she began as my scheduler, that was important. She ran my life for 2 years—both in the office and on the road—and made my new life in Washington, DC, that much easier.

When she moved to the legislative side, I knew she would attack the issues with just as much energy and competence. Though the issues she handled fell under committees on which I did not serve, they tended to be the hot topics. From health care to welfare, Medicare to Social Security, small business to labor unions, veterans and the aging to abortion, education and family issues—she learned the issues, knew them well, and was always my dependable source when I needed an update. She had her finger on the pulse here in the District of Columbia and her finger on the pulse in Montana and I know my constituents appreciated that and benefited from that.

Being a Californian in Montana is not easy, but she was quickly accepted by even the most ardent Montana natives. They never had an opportunity to question her loyalties. She worked for Montana and Montana's residents as if it were her own home State.

After 5 years handling these many legislative issues, she has accomplished

a lot. She has been instrumental in promoting rural health care, from the fight over health care reform in 1994 to the promotion of telemedicine. She has helped me fight for small businesses—and that is crucial to my State. And she has always been a voice of reason when it comes to questions of morals, ethics, family values, and what is right. I have teased her about being to the right of Attila, but I always knew I could count on her opinion to be well thought out, strong, and conservative.

But aside from her tremendous dedication to her work, her sense of humor will be missed. She brought levity to stressful times. Her counseling chair was always available, not just to me but to other staff as well. Whether providing an open ear, objective advice or a funny story, Patty managed to find time for others as well as get her work done.

Mr. President, longevity is not the norm on the Hill and keeping staff as long as 7 years is rare. I have been lucky to have Patty on my staff almost since I first arrived in town. And though I will miss her terribly, she knows she will always have a home here and in Montana. She is moving to Louisville, KY, to be the manager of government relations for Vencor, Inc. And I hope they realize what a treasure they are getting in Patty. I have no doubt that she will embrace her new job and that Louisville will embrace her.

Patty Deutsche has served me well and she has served Montana well. I know the folks with whom she has built relationships in the Big Sky Country will feel her absence, but Patty is the type that will continue to nurture those relationships, whether she represents Montana or not. That is just the way she is.

Today is her last day working for me and she will soon leave for Kentucky. I wish her the best of luck and all the happiness in the world. God bless you, Patty.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business, Friday, July 5, 1996, the Federal debt stood at \$5,153,659,808,407.00.

On a per capita basis, every man, woman, and child in America owes \$19,429.74 as his or her share of that debt.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

SMALL BUSINESS JOB PROTECTION ACT OF 1996

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 3448, which the clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3448) to provide tax relief for small businesses, to protect jobs, to create opportunities, to increase the take home pay of workers, to amend the Portal-to-Portal Act of 1947 relating to the payment of wages to employees who use employers owned vehicles, and to amend the Fair Labor Standards Act of 1938 to increase the minimum wage rate and to prevent job loss by providing flexibility to employers in complying with minimum wage and overtime requirements under that Act.

The Senate proceeded to consider the bill which had been reported from the Committee on Finance with an amendment; as follows:

H.R. 3448

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Small Business Job Protection Act of 1996".

(b) TABLE OF CONTENTS.—

TITLE I—SMALL BUSINESS AND OTHER TAX PROVISIONS

- Sec. 1101. Amendment of 1986 Code.
- Sec. 1102. Underpayments of estimated tax.
 - Subtitle A—Expensing; Etc.
- Sec. 1111. Increase in expense treatment for small businesses.
- Sec. 1112. Treatment of employee tips.
- Sec. 1113. Treatment of dues paid to agricultural or horticultural organizations.
- Sec. 1114. Clarification of employment tax status of certain fishermen.
- Sec. 1115. Modifications of tax-exempt bond rules for first-time farmers.
- Sec. 1116. Newspaper distributors treated as direct sellers.
- Sec. 1117. Application of involuntary conversion rules to presidentially declared disasters.
- Sec. 1118. Class life for gas station convenience stores and similar structures.
- Sec. 1119. Treatment of abandonment of lessor improvements at termination of lease.
- Sec. 1120. Deductibility of business meal expenses for certain seafood processing facilities.
- Sec. 1121. Clarification of tax treatment of hard cider.
- Sec. 1122. Special rules relating to determination whether individuals are employees for purposes of employment taxes.

Subtitle B—Extension of Certain Expiring Provisions

- Sec. 1201. Work opportunity tax credit.
- Sec. 1202. Employer-provided educational assistance programs.
- Sec. 1203. Research credit.
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Subtitle C—Provisions Relating to S Corporations

- Sec. 1301. S corporations permitted to have 75 shareholders.
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